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During an external audit completed during the first half of 2015, an outside certified public accounting firm discovered a variance between the bank account balance and the FEC reported cash on hand. The auditors determined that the variance was caused by the aggregation of unreported contributions and disbursements dating back prior to January 2009. The auditors found nothing to suggest that the PAC incurred expenses, disbursed funds, or received contributions that were not in accordance with FEC regulations.

In March 2011, the current treasurer took over and consolidated the responsibilities of the treasurer, custodian of records, and the check writer into one person (the new treasurer). Previously, three separate persons were performing these responsibilities and had failed to communicate at times with each other, leading to a failure to report some deposits and disbursements. The current treasurer has signing authority on all PAC accounts and access to all bank records; the multiple individuals who previously had this access have been removed from such accounts. The treasurer registered for email updates from the Commission, has taken (and continues to take) advantage of the Commissions online training resources and webinars. As a result of these changes in procedures, beginning mid-year of 2011, there have been no additional non-reporting of contributions or disbursements.

A cash-on-hand adjustment on the June 20th Monthly Report is being made to correct the variance of \$37727..93.

Due to the age of some of the unreported transactions, the PAC cannot provide itemization for all of them. However, the PAC has made a good faith effort and can provide itemized information for the following transactions:

Were Contributions reported prior to receipt- and never Received

9/21/2010 Jerry Burnette \$2,500

9/21/2010 Thomas Burnette Sr. \$2,500

9/21/2010 Thomas Burnette Jr. \$2,500
